

FACTS ON FILE



WORLD NEWS DIGEST WITH INDEX

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Jan. 5-11, 1961*

WORLD AFFAIRS

CUBA

U.S. Breaks Ties. The U.S. severed diplomatic relations with Cuba Jan. 3. In announcing the break, U.S. Pres. Dwight D. Eisenhower said in a White House statement: "There is a limit to what the [U.S.] in self-respect can endure. That limit has now been reached."

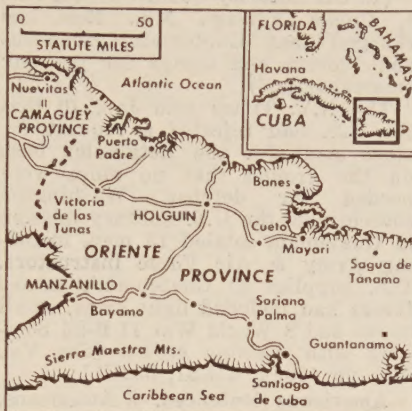
The rupture in U.S.-Cuban relations, after more than a year of increasing antagonism, was precipitated by Cuban Premier Fidel Castro's Jan. 2 demand that the U.S. reduce its Havana Embassy staff to 11 employees within 48 hours. Castro charged that 80% of the embassy's 300 officials were FBI and Pentagon spies. He accused the Embassy of "paying the [Cuban] terrorists to put bombs in Cuba." (A U.S. Embassy spokesman said its staff totalled 87 Americans.)

In his Jan. 3 statement, Mr. Eisenhower said Cuba's "unusual" demand "can have no other purpose than to render impossible . . . normal [U.S.-Cuban] diplomatic relations." He termed it a "calculated action" that was "the latest of a long series of harrassments, baseless accusations & vilifications." The President, expressing hope for resumption of U.S.-Cuban relations "in the not-too-distant future," voiced "sympathy" for Cubans "suffering under the yoke of a dictator."

Formal notification of the diplomatic break was made in a note handed by U.S. State Secy. Christian A. Herter Jan. 3 to the Cuban chargé in Washington, Dr. Armando Florez-Ibarra. The Swiss government Jan. 4 agreed to Herter's request that it represent U.S. diplomatic interests in Cuba. Swiss Amb.-to-Cuba Walter Bossi assumed the responsibility Jan. 7. The Czech government announced Jan. 4 that it would handle Cuba's diplomatic affairs in the U.S.

The Jan. 3 U.S. note asked Cuba to withdraw its 101 staff members from its Washington Embassy and its 15 consular offices in the U.S. "as soon as possible," but it set no time limits.

Herter Jan. 3 asked State Secy.-designate Dean Rusk whether the incoming Kennedy Administration



The U.S. broke diplomatic relations with Cuba Jan. 3 but retained its naval base at Guantanamo despite Cuban charges that the U.S. planned to use the base in an invasion of Cuba. (Wide World)

wanted to associate itself with Mr. Eisenhower's decision. After talks with Pres.-elect John F. Kennedy, Rusk told Herter that the new Administration could not commit itself since it did not have all the facts. [See Vol. XX, pp. 367A3-368C1]

U.S. Aides Leave. U.S. officials Jan. 4 started preparations to close the U.S. Embassy in Havana, and departure from Havana started the same day when 63 Embassy employees sailed to West Palm Beach, Fla. aboard an overnight train ferry. U.S. chargé d'affaires Daniel M. Braddock arrived in Miami from Havana Jan. 7.

The State Department disclosed Jan. 3 that it had urged the 3,000-3,500 American civilians remaining in Cuba to leave. Most were businessmen, missionaries, engineers and technicians. A department spokesman said that, if necessary, the U.S. might help in evacuating them. [See Vol. XX, p. 340B3]

U.S. to Retain Guantanamo. A White House statement issued Jan. 4 by Presidential Press Secy. James C. Hagerty said that the severance of U.S.-Cuban relations would have no effect on the status of the U.S. Guantanamo naval base. He said the 1903 and 1934 U.S.-Cuban treaties granting the U.S. the right to the base could not be abrogated without U.S. consent. Adm. Arleigh A. Burke, chief of U.S. naval operations, ordered Guantanamo's commandant, Rear Adm. Edward J. O'Donnell, to comply scrupulously with the treaty.

The Cuban semi-official newspaper *Revolución* charged Jan. 9 that the

Week In Headlines

INTERNATIONAL

U.S. broke diplomatic relations with Cuba, warned would retain Guantanamo naval base; UN refused to act on Cuban charges of U.S. 'aggression.'

French - Algerian referendum backed Pres. de Gaulle's Algerian reforms.

Belgian strikes continued. Laos regime charged Red invasion; U.S. sought action.

UNITED STATES

Pres. Eisenhower accepted cabinet, other resignations.

87th Congress convened. Pres.-elect Kennedy disclosed distressed-area, education, 'peace corps' plans, continued appointments to administration.

Georgia University desegregated.



U.S. was mining Guantanamo Bay and unloading large quantities of medicine at the base. It said the U.S. aircraft carrier Franklin D. Roosevelt, which sailed into Guantanamo the same day, was part of a fleet the U.S. planned to station in the area. The U.S. said that the carrier, which stayed in port 5 hours to unload replacements, was to take part in maneuvers off Puerto Rico. [See Vol. XX, p. 396B1]

Cuba Scores U.S. Move. The Cuban government Jan. 5 blamed the Eisenhower Administration for the diplomatic rupture. A communiqué issued after a Cuban cabinet meeting said the U.S. first caused "the deterioration of these relations with its aggressive and unfriendly policy against" Cuba. It defended Cuba's decision ordering the U.S. to reduce its Embassy staff on the grounds that Embassy officials had "furthered counter-revolution and terrorism."

International Reaction. The Soviet news agency Tass Jan. 4 condemned the U.S. action as a "plot to commit aggression against the revolutionary Cuban government." Communist China Jan. 4 called the U.S. decision "another move of U.S. hostility" to Cuba and a prelude "to overthrow [of] the Cuban government." The Yugoslav government criticized the U.S. for the break Jan. 6.

Latin-American reaction was mixed: Government leaders in Haiti, Peru, Guatemala & Colombia endorsed the U.S. action Jan. 4; Ecuadorian Foreign Min. José I. Chiriboga expressed "deep sorrow"; leftist and Communist newspapers in Chile criticized the U.S., but the Chilean government was noncommittal, as were the governments of Argentina, Venezuela, Brazil and Bolivia.

Panamanian Amb.-to-Cuba Alberto Obarrio was recalled from Havana Jan. 4 for consultation.

Latin American nations that had broken relations with Cuba: the

*Covers Jan. 1-11, 1961

REFERENCES in brackets give location of background information in this & preceding volumes

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Dominican Republic, Paraguay, Nicaragua, Haiti, Guatemala and Peru. [See Vol. XX, pp. 482E2, 299B2]

Cuban Moves Vs. Invasion. The Cuban government Jan. 6 took military precautions against a "Yankee invasion" that Castro had predicted would occur before the Kennedy Administration took office Jan. 20. Exit permits for Cubans and foreign residents, except Americans, were suspended. Thousands of troops were called out in Havana and in the rest of the island. Cuban militia women occupied the Roman Catholic San Francisco Church in Havana and took over the adjacent facilities of the Catholic magazine La Quincena.

Revolución Jan. 7 reported the seizure of 6 "terrorists" and of 2 air-dropped cargoes of arms & ammunition that had been sent to anti-Castro rebels by "agents of the [U.S.] Central Intelligence Agency." The ammunition was said to have been dropped in Pinar de Rio and Escambray Provinces.

The Cuban army Jan. 8 reported the arrest of 10 alleged terrorists in the Havana suburb of Cotorro. They were said to be members of an underground group directed by exiled ex-Publics Works Min. Manolo Ray. The government press said the men were seized with U.S.-made arms "furnished by imperialists." Thousands of persons throughout Cuba reportedly were being arrested on suspicion of being "counter-revolutionists." [See Vol. XX, p. 380E2]

UN Rejects Invasion Charge. The UN Security Council Jan. 5 rejected without a vote Cuban charges that the U.S. planned an "immediate" invasion of Cuba. The council adjourned after hearing Cuban Foreign Min. Raul Roa demand that the U.S. be labelled an aggressor for moves that he claimed had led to the severance of U.S.-Cuban relations. U.S. delegate James W. Barco denied Roa's charges, which Barco said Roa backed by "no evidence whatsoever." Barco also criticized Soviet delegate Valerian Zorin for supporting Roa's charges and attributing the U.S.-Cuban break to the "reactionary" Eisenhower Administration.

U.S. Amb.-to-UN James J. Wadsworth said in Council debate Jan. 4 that the U.S. broke relations with Cuba because the Castro government had made normal diplomatic contacts "virtually impossible." Wadsworth denied that the U.S. planned to invade Cuba.

Council debate was interrupted 3 times by anti-Castro Cuban spectators who shouted "butcher" and "murderer" at Roa. [See Vol. XX, p. 482B2]

Guatemala Girds Vs. Castro. The N.Y. Times reported Jan. 10 that foreign military experts, "mostly" from the U.S., were training a guerrilla force near Retalhuleu, Guatemala for a possible war with Cuba. Political foes of Guatemalan Pres. Miguel Ydigoras Fuentes charged that the military activity was for an invasion of Cuba. Ydigoras, denying aggressive plans, said Jan. 10 that U.S.

officers were training Guatemalan troops in the Retalhuleu area to repel a possible attack from Cuba.

Ydigoras confirmed Jan. 10 that an air base 3 miles west of Retalhuleu, reportedly built by Thompson-Cornwall, Inc. of New York, was being used for military purposes. But he said he hoped it soon would be turned into a commercial airport.

(In UN Security Council debate Jan. 4, Cuban Foreign Min. Roa had charged that Guatemala, Honduras and Florida had camps for training "mercenaries.")

The N.Y. Times said Jan. 10 that the U.S. had rejected a request for more arms for the Retalhuleu base on the ground that no more were needed for defense. Washington sources said the U.S. military mission in Guatemala totaled 15 men, including Army & Air Force instructors. U.S. supplies to Guatemala's armed forces had included light arms, small tanks and 8 World War II B-26 bombers with training crews. [See Vol. XX, pp. 450F1, 415B1, 352C1]

Americans Sentenced. 3 Americans, convicted by a Havana tribunal Dec. 17, 1960, were sentenced Jan. 10 to 10 years in prison on charges of being members of a spy ring that had tapped the telephone wires of Hsinhua, the Communist New China News Agency.

The sentenced Americans were Edmundo K. Taranske, 30, of New York, Daniel L. Carswell, 42, of Eastchester, N.Y. and Eustace Dan Brunet, 34, of Baltimore. A 4th defendant, Italian-born Mario Nordio of New York, was deported. [See Vol. XX, p. 323G2]

EAST-WEST RELATIONS

Khrushchev Would Forget U-2. Soviet Premier Nikita S. Khrushchev offered Jan. 1 to make a fresh start toward improving U.S.-Soviet relations by forgetting the tensions attributed to the U-2 spy plane incident in his first contacts with President John F. Kennedy's incoming administration.

Attending a Kremlin New Year's reception, Khrushchev "recalled a statement made by Mr. Kennedy . . . that, if he were President, he would express his regret to the Soviet government over the U-2 plane flight." According to the Tass news agency, Khrushchev then said: "We would like this unfortunate incident to become a thing of the past with the departure of the old President. . . . We evidently need not insist on the discussion of this question by the United Nations General Assembly so that a bad past does not hamper the hopes for a good future."

Khrushchev said that "in voting for Mr. Kennedy and against Mr. Nixon, the American people expressed its condemnation of . . . the cold war." He expressed hope that "a fresh wind will begin to blow with the coming of the new President."

Mr. Kennedy, reached by newsmen in Palm Beach, Fla. Dec. 31, 1960 (Jan. 1, Moscow time), refused to comment on the statement.

New Year's messages expressing hopes for U.S.-Soviet peace and amity were addressed to Mr. Kennedy and Pres. Eisenhower Dec. 31 by Khrushchev and Soviet Pres. Leonid I. Brezhnev and were reciprocated Jan. 1. [See Vol. XX, p. 349F3]

U.S. Asks Eased Travel. A U.S. note to the USSR proposed Jan. 6 that the 2 countries begin diplomatic talks on a "partial easing" of the travel restrictions imposed on each other's citizens. It reiterated the U.S.' willingness to open U.S. zones closed to Soviet citizens on a basis of reciprocal elimination of Soviet curbs on U.S. travelers.

The U.S. note disclosed the following changes in restrictions on Soviet visitors: Opened to travel—San Francisco, Brooklyn (N.Y.), Newark (N.J.), Columbus (O.), Seattle, Providence (R.I.), St. Paul; closed to travel—St. Louis, Milwaukee, Cincinnati, Houston, Phoenix and Wichita (Kan.). [See Vol. XX, pp. 311C1, 152E2]

Mansfield Asks Troop Cut. A reduction of U.S. forces in Europe was proposed Jan. 1 by Sen. Mike Mansfield (D., Mont.) on condition that the USSR carried out a reciprocal reduction of its forces in East Europe.

Mansfield said that the 5 U.S. divisions assigned to NATO in the 7th Army were faced by more than 25 Soviet divisions in East Germany, Hungary & Poland. He suggested that since these U.S. troops were "a symbol of our commitment to join in the defense of Western Europe," rather than a force capable of repelling Soviet attack, the 5 divisions could be reduced to "2 or 3" and "would be no less a symbol" of the U.S.' commitment. Mansfield, who said that reciprocity would require the pullback of 10 Soviet divisions, pointed out that the proposal would reduce the U.S.' overseas expenditures (\$1.6 billion for the 5 divisions) and gold outflow. [See Vol. XX, p. 419E1]

USSR Vs. Dutch A-Bases. A Soviet note warned the Netherlands Jan. 7 that the use of its territory as a U.S. nuclear weapons base would bring the "terrible risk" of retaliation in the event of an atomic war.

The Russian warning was based on the disclosure that U.S. nuclear warheads were stored in the Netherlands. (The disclosure had been made in connection with a Netherlands visit Dec. 1, 1960 by 5 members of the U.S. Joint Congressional Atomic Energy Committee inspecting nuclear weapons security measures in Europe.) The USSR charged that "by yielding to United States pressure, the Netherlands . . . was the first government in the European continent to agree to the actual turning of its country into an American nuclear base." This

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decision, it said, was "fraught with grave consequences . . . for the existence of the Netherlands."

The Netherlands Foreign Ministry replied Dec. 10 that Holland had made storage facilities available in compliance with a NATO decision taken "because the Soviet forces were being equipped with . . . nuclear arms." [See Vol. XX, pp. 465B1, 454F1]

ALGERIA

Referendum Backs Reforms. French Pres. Charles de Gaulle's planned Algerian reform program was supported by 72.2% of the French voters participating in a special referendum carried out Jan. 6-8 in metropolitan France, Algeria and all French overseas departments and territories.

Voters were asked to approve or disapprove a draft law proposed by de Gaulle to permit reform of the French administration in Algeria and eventual Algerian self-determination as steps toward ending the 6-year old Algerian rebellion. The draft law's provisions: (1) The Algerian administration would be reformed to create deliberative and executive bodies to govern all Algerian affairs except defense, finance and education; (2) "the Algerian populations should make known by . . . direct and universal suffrage the political destiny they choose with respect to the French Republic."

The referendum was carried out Jan. 6-8 in Algeria and Jan. 8 in France. Complete official returns showed Jan. 9 that of the 31,600,948 registered voters in France and Algeria, 23,436,881 (74.2%) had gone to the polls and 16,944,217—72.2% of those voting or 53.5% of all registered voters — had approved the draft law. 25.8% of all French and Algerian voters abstained, and 2.4% cast invalid ballots. Separate returns for the 2 areas: France — 27,186,312 registered voters, 20,796,887 votes cast, 15,196,668 (75.25% of those voting, 55.9% of those registered) "yes," 4,995,912 "no"; Algeria — 4,414,636 registered voters, 2,639,494 ballots cast, 1,747,529 (69.1% of those voting) "yes," 782,052 "no."

Returns reported Jan. 12 by the French information office in New York for overseas departments and territories and the Sahara: Overseas Departments—398,408 registered, 241,563 voting, 211,796 "yes," 23,021 "no"; Overseas Territories (except Polynesia)—143,678 registered, 111,826 voting, 103,675 "yes," 2,892 "no"; Sahara—281,796 registered, 188,183 voting, 164,052 "yes," 18,724 "no."

It was reported from France and Algeria Jan. 6-9 that Moslems had boycotted the polls in France and in all major Algerian cities, apparently as a result of rebel threats and orders to abstain from voting. However, Moslems in many rural areas of Algeria were trucked to the polls by French army units and reportedly were instructed to cast "yes" ballots. European rightists in Algeria protested the army's reported intervention in the election and generally declared their refusal to accept the referendum's results as valid or legal.

Premier Michel Debré and Algerian Delegate-Gen. Paul Morin hailed the returns Jan. 9 as proof of unified support for the de Gaulle reforms. But Jacques Soustelle, rightist leader,

warned that Algeria's Europeans would interpret it as "a gesture of abandonment," and rebel spokesmen in Tunis said that Moslems had shown by their abstentions their lack of interest in the outcome. A U.S. State Department statement welcomed the referendum's "impressive" vote of confidence in de Gaulle and expressed hope that it would lead to negotiations between the "parties concerned" in Algeria.

Referendum Campaign. The referendum campaign, begun Dec. 26, 1960, was ended Jan. 6 with a radio-TV address in which de Gaulle appealed to Frenchmen and Algerians to give "a sincere and massive yes" vote to his Algerian reform and self-determination plans.

De Gaulle said: The referendum represented "one of the principal events of our history"; to "reply in the negative" would be "to refuse the possibility of the [Algerian] problem ever being solved by France herself"; to abstain would be "to choose impotence for France"; "it is to me that you are going to reply. For more than 20 years, events have determined that I should serve the country as its guide in the grave crises we have lived through. . . . I must . . . [be given] a majority proportionate to the issue."

Appeals for defeat of the de Gaulle proposals had been issued since the beginning of the campaign by rightists & conservatives, among them ex-Gaullist UNR leader Jacques Soustelle & Marshal Alphonse-Pierre Juin. A declaration charging that Algerian self-determination would bring the rebel FLN to power was issued Jan. 4 by a group of 16 retired generals, among them Gen. Augustin Guillaume, former French resident general in Morocco, and Gen. Pierre Boyer de la Tour, former resident general in Tunisia. A Paris news conference was held Jan. 4 by Soustelle, ex-Premier Georges Bidault and ex-Defense Min. André Morice to denounce the referendum. The generals' declaration was opposed Jan. 6 by Maj. Gen. Edgard René-Marie de Larminat, Free French chief of staff during World War II.

At least 27 persons—most of them Moslems—were killed in clashes in Algeria during and after the referendum despite the arrival of security reinforcements including 6,000 marine commandos ordered to Oran Jan. 2.

Major Algerian incidents: One Moslem was killed in Guelma and 5 in Mila, near Constantine, Jan. 6 when troops fired on them as they sought to demonstrate with rebel flags; 10 Moslems and a French soldier were killed Jan. 7 when rebels attacked troops guarding a polling station near Aflou; 12 Moslems were killed Jan. 8 when troops fired on pro-rebel demonstrators in Trezel, Tiaret and Sidi-Bel-Abbes; 2 Moslems were killed Jan. 9 in Boufarik. [See Vol. XX, p. 473F3]

LAOS

Government Installed. The rightist Laotian government of Prince Boun Oum was confirmed in office Jan. 4 by a special session of the Laotian National Assembly in Vientiane.

The Boun Oum government had

been designated provisionally by King Savang Vathana after its troops drove forces of the neutralist regimes of Prince Souvanna Phouma and Premier Quinim Polsena from Vientiane in a battle that ended Dec. 16, 1960. The Boun Oum cabinet was presented to the National Assembly Jan. 3 by the king and was approved the next day by unanimous vote of the 41 deputies attending the session. It was proclaimed officially Jan. 5.

The cabinet was based on the rebel committee established in Savannakhet in 1960 by Boun Oum, Brig. Phoumi Nosavan and other rightist leaders opposed to the neutralist Souvanna government. Prince Khamphan Panya, foreign minister in the cabinet & listed Dec. 18, 1960 by Boun Oum, was released to go to New York to press Laos' case before the UN.

The Jan. 5 Laotian cabinet: Premier & Foreign Min.—Prince Boun Oum Na Champassak; Vice Premier & Defense Min.—Gen. Phoumi Nosavan; Education—Thao Nhouy Abhay; Interior—Leuam Insisiengmay; National Economy—Ngon Sananikone; Public Works, Transport & Communications—Khamphan Panya; Health & Social Affairs—Phagna Touby Lyfoung; Religion—Chao Boun Oum Na Champassak; Min. Delegate—Sisouk Na Champassak; Justice—Bouavan Norasing; Finances & Planning—Phouangphet Panareth; Public Works & Transport—Phouangkeo Phanareth; State Secretaries — Gen. Bounleut Sanichanh (Security), Bounthong Voravong (Veterans), Chao Sopsaisana (Foreign Affairs), Bounlap Nhouyvanisong (Economy).

Leftist Advance Reported. The Boun Oum government reported Jan. 1 that Communist-supported rebel forces had counterattacked after being driven from Vientiane and had captured both the strategically important Plaine des Jarres in central Laos and the provincial capital of Phongsaly.

Information Min. Bouavan Norasing announced that the rebels, composed of Laotian troops commanded by Capt. Kong Le, Pathet Lao guerrillas, and 5 North Vietnamese battalions alleged to have entered Laos Dec. 30, 1960, had taken these objectives in attacks launched Dec. 31. Bouavan charged that the attacks had been launched with arms delivered by an airlift of Soviet planes from North Vietnam and by unspecified aid from Communist China. He said that loyal troops had been forced to surrender Xiengkhouang, 100 miles north of Vientiane, after heavy rebel shelling.

The rebel attacks were reported to be continuing in the following directions: (1) 5 North Vietnamese battalions, numbering 2,000 heavily-armed troops, were besieging Nonget, near the Laos-North Vietnam border; (2) 2 other North Vietnamese battalions were attacking Phou Nam Cho from the north; (3) a mixed force of rebel Laotian troops commanded by Kong Le and Pathet Lao guerrillas were attacking west of the Ngum River.

Bouavan announced Jan. 2 that loyal troops had reported that Communist Chinese soldiers were among the rebels who attacked Phongsaly Dec. 31. He added that the surrender of Xiengkhouang could not be confirmed and that the loss of Phongsaly apparently was due to a declaration of neutrality issued by Col. Khmouane Boupha, the garrison commander. He said the rebels were being aided by

arms airlifted by Soviet Ilyushin transports using a captured airfield on the Plaine des Jarres. He reported Jan. 3 that Xiengkhouang had fallen to the rebels Jan. 1 but had been retaken Jan. 2 by loyal paratroops.

It was reported from Vientiane Jan. 1-4 that foreign military experts in Laos doubted that North Vietnamese troops had crossed into Laos in any substantial numbers. The N.Y. Times reported from Vientiane Jan. 5 that the alleged invasion apparently had consisted of a feint by 2 North Vietnamese battalions based near Nonget in order to divert loyal Laotian troops from attacks launched in the Plaine des Jarres by rebel and Pathet Lao forces. The Times reported, however, that Soviet aircraft had landed supplies for the rebels and were said to have dropped rebel paratroops into areas under attack.

The Laotian government claimed Jan. 5 to have defeated rebel forces near Xiengkhouang and to have recaptured a strategic road junction near Luang Prabang, Laos' royal capital. The Laotian government said Jan. 7 that loyal troops had taken Vang Vieng, rebel airdrop center 65 miles north of Vientiane. But it confirmed the loss of several other posts and villages to the rebels.

North Vietnam's Hanoi radio reported Jan. 6 that the pro-Communist forces had taken Ban Ban, the Vientiane regime's last military position on the highway crossing northern Laos.

2 North Vietnamese prisoners and quantities of captured Communist Chinese arms and supplies were displayed to newsmen in Vientiane Jan. 7-8 to support government charges of a Communist invasion. The charges were renewed Jan. 10 by Bouavan, who extended them to include Russian troops that he said had been reported operating near Ban Nale. Laotian officials, however, were unable to locate Ban Nale for Western newsmen.

4 U.S. T-6 observation planes and an undisclosed number of helicopters were delivered to Laos Jan. 10 for use in remote areas lacking large airfields. The T-6s, armed with machineguns, were flown by Laotian pilots trained in Thailand.

The N.Y. Times reported Jan. 9 that the training of Laos' armies had been carried out largely by military advisers headed by Brig. Gen. John A. (the Prussian) Heintges. The U.S. advisers, formally known as the "program evaluation office" were said to have been dropped from active military lists to serve as civilians.

Foreign Reaction. The reports of Communist intervention in Laos brought immediate U.S. efforts to bring about coordinated Western support for the Boun Oum government despite evidence that Britain and France doubted the invasion reports and disagreed on action to be taken.

The U.S. announced Jan. 1 that it had called for an emergency meeting of the SEATO Council to consider the situation in Laos, not a SEATO member but considered to lie within the alliance's defense area. A U.S. policy

declaration issued Dec. 31, 1960 had warned that the U.S. would take a "most serious view" of any intervention in Laos by Communist China or North Vietnam.

The U.S. Defense Department disclosed Jan. 2 that measures to "increase the readiness", and the "airlift capacity" of American forces in the Pacific had been ordered by Pres. Eisenhower after a White House conference on the Laos situation. Alerts and preparedness measures reportedly were ordered at major military and naval bases in the U.S. and the Pacific.

The Moscow Communist Party organ Pravda charged Jan. 3 that the U.S.' deployment of several naval vessels & 1,200 Marines to the South China Sea was an intervention in the Laotian situation.

A State Department statement issued Jan. 3 charged that Soviet and North Vietnamese aircraft had "engaged in an extensive airlift of war material to the Communist [rebel] forces" and had parachuted "substantial numbers of North Vietnamese Communist personnel" on 180 flights into rebel-held areas since Dec. 15, 1960. It listed the registry numbers of planes used in the airlift.

(A Laotian protest transmitted to UN Secy. Gen. Dag Hammarskjöld Jan. 2 by Laotian Rep.-to-UN Sisouk Na Champassak and made public Jan. 3 charged that "unprovoked aggression" had been committed against Laos by 6 battalions of invading North Vietnamese troops.)

The British government announced Jan. 2 that the Earl of Home, foreign secretary, had met with U.S. Amb. John Hay Whitney to urge reconstitution of the International Control Commission for Laos, set up by the 1954 Geneva conference on Indochina under the supervision of India, Poland and Canada, but currently dormant.

The Laotian government announced Jan. 7 that it would be ready to consider revival of the International Control Commission if similar approval were given by the 7 other signatories of the Indochina agreement negotiated by the 1954 Geneva conference. Reconstitution of the commission originally had been suggested by Britain in a note to the USSR Dec. 19, 1960.

Soviet Amb.-to-U.S. Mikhail A. Menshikov presented to U.S. State Secy. Christian A. Herter in Washington Jan. 10 a Soviet statement on the situation. Neither would tell newsmen what the statement said, but it reportedly denied the legality of the Boun Oum government. The USSR had insisted that Prince Souvanna Phouma, exiled ex-premier currently in Cambodia, represented Laos' legitimate government. British suggestions that the International Control Commission on Laos be revived, reportedly repeated in Moscow Jan. 3-5, were said to have been rejected by the USSR. A major stumbling block to the commission's reactivation was said to be the demands by the competing Laotian regimes for recognition by the commission. Soviet opposition to the commission plan was reported to be due to the USSR's stand that the Souvanna regime be recognized.

Resolutions calling for the transformation of Laos into an "uncommitted area" were adopted Jan. 5 by India's Congress Party at its annual convention in Bhaunagar, near Bombay. The resolutions were said to have been written personally by Prime Min. Jawaharlal Nehru, who had appealed Dec. 23, 1960 for the neutralization of Laos under the International Control Commission. A personal message reportedly sent Nehru Jan. 10 by Pres. Eisenhower was said to have asked Indian support for efforts to prevent Communist domination of Laos.

The SEATO Council met in Bangkok, Thailand Jan. 2 to hear U.S. charges that Laos was being threatened by Communist intervention. SEATO Secy. Gen. Pote Sarasin told newsmen after the meeting that there was "evidence of ground intervention." Pote said, however, after a 2d Council meeting Jan. 4, that there was "nothing definite" to substantiate charges of a Communist invasion of Laos. The Council continued discussion of the Laos situation through Jan. 10 but failed to recommend any specific action to aid Laos. [See Vol. XX, p. 473B1]

BELGIUM

Strike Solution Sought. Premier Gaston Eyskens' Social Christian-Liberal coalition cabinet resumed negotiations with Socialist Party Pres. Leo Collard and other leftist leaders Jan. 4-10 in an effort to end a wave of Socialist-led strikes that had paralyzed Belgium.

The strikes had been begun by the Socialists' General Workers Federation Dec. 20, 1960 to protest a government austerity program intended to reduce social services and raise taxes to recoup financial reverses resulting from the loss of the Congo. The strike campaign was supported by GWF unions representing 500,000 Belgian workers; it was boycotted by the Confederation of Christian (Catholic) unions. The Socialist GWF's membership came largely from the French-speaking Walloon industrial area of southern Belgium. The Catholic unions were centered in the Flemish-speaking areas of northern Belgium, where the strike was confined largely to the cities of Antwerp, Ghent and Bruges. [See Vol. XX, p. 474D2]

Austerity Bill Debated. The Belgian Parliament met Jan. 3 to resume debate on the disputed austerity bill. It gave the Eyskens cabinet 3 votes of confidence by rejecting, by votes of 121-83, Socialist censure motions including one submitted by Collard and ex-Premier Achille van Acker calling for withdrawal of the austerity plan. The other motions protested the use of troops against strikers and political demonstrators.

Collard warned in a radio interview later Jan. 3 that adoption of the bill would "put into question the basic structure of Belgium itself." He implied that Socialist-led Walloons might seek to transform Belgium into a federation of autonomous Walloon and Flemish districts. Walloon Socialist deputies Jan. 3 issued a declaration in which they warned that "the Walloon people will have no other course than to review the political institutions of the country."

King Baudouin conferred with Col-

lard and Eyskens Jan. 4 at the royal palace in Laeken. He met Jan. 5 with Theo Lefevre, Social Christian Party head, and with Deputy Premier René Lefebvre and Roger Motz, Liberal Party leaders. Eyskens accepted Socialist suggestions in Parliament Jan. 5 that amendments to the proposed austerity bill be considered in committee. A Socialist appeal for political negotiations to end the strikes was made in Parliament Jan. 9 by van Acker and was accepted by Eyskens, who declared that "we must all be open to . . . appeasement." The first amendment to the bill was proposed Jan. 10 by van Acker and was sent to committee by Eyskens.

Violence. The work stoppages and political demonstrations, halted during the New Year's holiday, were resumed Jan. 3 with Socialist-led marches in Brussels, Antwerp, Liège, Bruges and other cities. 75,000 strikers participated, and 20 were injured in clashes with police. Antwerp rioters stoned street cars and buses and smashed store windows before they were dispersed.

(The Belgian state radio announced the arrest of 56 Socialists and other strike leaders Jan. 1. Those held included Vedrin Mayor Albert Benoit and Councilor Jean-Pierre Louis.)

Brussels demonstrators forced the closing of the city's major stores Jan. 4 and stoned buses and street-cars after transit drivers voted to return to work. 500 youths attacked a Sabena airlines office and were dispersed by police when they sought to march on Parliament. Brussels stores were reopened Jan. 5, and

strikers were reported to be returning to work in all but the Liège and Hainaut industrial regions.

65 persons—40 police and 25 civilians—were injured in rioting that broke out in Liège Jan. 6 after a rally at which GWF Deputy Secy. Gen. André Renard, leader of the national strike coordinating committee, declared that the walkout would be intensified and "fought to the finish." Renard said strikers would not be bound by compromises accepted by Socialist Parliamentary leaders and would stay out until the austerity bill was withdrawn. The Liège rioters attacked and wrecked a railway station, the offices of the Catholic union federation, a newspaper and the National Bank, and police vehicles. All meetings were banned and 8,000 police and troops were sent to Liège Jan. 7.

One of the Liège strikers died Jan. 8. Continued violence and sabotage of railway and canal installations was reported from the Liège area Jan. 8. Another striker was killed in a clash with police Jan. 9 near Charleroi.

Eyskens' cabinet denounced the sabotage Jan. 9 as part of a "systematically organized plan." It announced that Belgian troops were being withdrawn from NATO bases in West Germany to reinforce security.

The Socialist Party leadership, at a meeting convened in Brussels Jan. 9 by Collard, issued Jan. 10 a declaration condemning violence and sabotage "without connection with the strike and its objectives." The Socialists blamed much of the violence on provocation by the government.

NATIONAL AFFAIRS

THE PRESIDENT

Military 'Pre-Eminence' Claimed. President Eisenhower expressed the conviction Jan. 7 that the U.S.' "military power, 2d to none, with the greatest striking power in our history," was so well established that "this pre-eminence can be sustained in future years." The President also lauded Defense Secy. Thomas S. Gates Jr. for standing "like a rock for . . . responsible military programs against the unsound & spurious. . ." Both statements were in a letter accepting Gates' resignation Jan. 7.

Gates, in a final report to the President, also released Jan. 7, said that: An alert force of bombers continually in the air was being prepared; He "the largest part of our armed forces . . . [was] trained and equipped for countering local aggression"; nearly 40% of the armed forces were stationed outside the U.S. [See Vol. XX, pp. 95D3-96D1]

Pres. Eisenhower said "good-by to the Army" at Ft. Gordon, Ga. Jan. 7 as he was honored by "the last review that I shall ever receive." The President told 2,700 troops that he felt "a part of you" and that "there will be in my soul a certain nostalgia as I see a uniform." He said he was confident that the U.S. had "a shield that no enemy dare attack or attempt to break down."

After the review the President flew by helicopter to the Augusta (Ga.) National Golf Club. He returned to Washington Jan. 8. [See Vol. XX, p. 411C2]

Dillon Praised. Pres. Eisenhower accepted State Undersecy. C. Douglas Dillon's resignation Jan. 4 ("effective today") with a "Dear Doug" letter in which the President said he expected Dillon to perform "fully as brilliant[ly]" as Pres.-elect Kennedy's Treasury Secretary.

The President acknowledged that there were "difficulties to be overcome" when a top administration officer was "to serve immediately thereafter" in an administration "controlled by a different political party." He urged Dillon to "support . . . the sound fiscal and financial policies in which you so much believe."

Robert J. Donovan reported in the N.Y. Herald Tribune Jan. 5 that Dillon's acceptance of the Treasury post had "embittered the Vice President [Nixon] and deeply disappointed the President." Nixon was described as exasperated because he and other Republicans supposedly would find it hard to attack Kennedy Administration fiscal policies in which an Eisenhower-team member was involved. Eisenhower's disappointment stemmed, Donovan said, from his expectation that Dillon would be a leader in

Republican efforts to recapture the Presidency. [See Vol. XX, p. 468E2]

Cabinet Departures. Agriculture Secy. Ezra Taft Benson's resignation was accepted Jan. 5, effective Jan. 20, by Pres. Eisenhower with a letter that praised Benson's "sound flexible price support programs," "Food for Peace" program and aid program for low-income farmers. [See Vol. XX, p. 281G1-C2]

The President Jan. 8 accepted Labor Secy. James P. Mitchell's resignation, effective Jan. 20. [See Vol. XX, p. 471E1]

Commerce Secy. Frederick H. Mueller's resignation was accepted by Mr. Eisenhower Jan. 2, effective Jan. 20.

The President Jan. 9 accepted the resignation of Interior Secy. Fred A. Seaton. [See Vol. XIX, p. 224A-B2]

Other Resignations. Among resignations accepted by Pres. Eisenhower were those of:

Jan. 3 — FAA administrator Elwood R. Quesada (who had accepted the presidency of the American League's Washington Senators, a new baseball team) [see Vol. XX, p. 464F-G1]; HEW Undersecy. Bertha S. Adkins [see Vol. XIX, p. 263A3] and HEW general counsel Parke M. Banta; Vance Brand, managing director of the Development Loan Fund [see Vol. XIX, p. 263A3]; George W. Beadle of the President's Science Advisory Committee; Asst. Postmaster Gen. George M. Moore [see Vol. XIX, p. 328C-D2]; Asst. Defense Secy. Perkins McGuire.

Jan. 4—General Services Administrator Franklin Floete (effective Jan. 20) [see Vol. XX, p. 140C3]; Budget Director Maurice H. Stans (effective Jan. 20; Stans was to become president of the First-America Corp., the U.S.' largest bank holding company, Mar. 30). [See Vol. XX, p. 271D2]

Jan. 5—AEC Chrmn. John A. McCone. [See Vol. XX, p. 465F2-C3]

Jan. 6—Commerce Undersecretaries Philip A. Ray & John J. Allen Jr.; Asst. Commerce Secy. George T. Moore; Bureau of Indian Affairs Commissioner Glen L. Emmons [see Vol. XVII, p. 350F3]; U.S. District Atty. John C. Crawford Jr. (all effective Jan. 20).

Jan. 9—James C. Hagerty as White House press secretary (Hagerty was to assume Jan. 23 the post of American Broadcasting Co.'s vice president in charge of news) [see Vol. XX, p. 488F-G1]; Dr. George B. Kistiakowsky, special assistant for science & technology; James R. Killian Jr., science advisory committee member.

Other Presidential News. Pres. Eisenhower Jan. 10 sent to the Senate the nominations of: John H. Winchell of Colorado for a 7-year term as an Interstate Commerce Commissioner; John S. Bragdon of Washington for a 6-year term on the CAB; 1,160 persons for postmasterships.

Mr. Eisenhower Jan. 2 redesignated Whitney Gilliland as CAB chairman & Chan Gurney as vice chairman.

The President Jan. 3 accepted the credentials of Ecuadorian Amb. Alejandro Ponce Luque.

Mr. Eisenhower was named Big

Brother of the Year by the Big Brothers of America and received the Hoover Medal, sponsored by 4 engineering societies, in separate ceremonies in Washington Jan. 10.

A CONGRESS

87th Congress Convenes. The 87th Congress convened at noon Jan. 3 and immediately involved itself on and off the floor in struggles in the Senate over the filibuster and in the House over an attempt to prevent the Rules Committee from blocking key bills.

Party strength in both houses: Senate 65 D., 35 R.; House 262D., 174 R., one in doubt. [See Vol. XX, p. 303D1]

B The seating of Rep. George O. Chambers (R., Ind.) was held up pending an investigation of his election by the House Administration Committee. But 2 challenged Democrats, Reps. Morgan M. Moulder (Mo.) and Victor Wickersham (O.), were seated Jan. 3. [See Vol. XX, p. 470A-B1]

C Senate Debates Filibuster. An attempt to change the filibuster rule, Senate Rule XXII, was defeated Jan. 11 when the Senate voted 50-46 to send to its Rules Committee 2 proposals that would have reduced the voting requirements to cut off debate.

The filibuster issue split the Senate politically, with 32 Democrats and 18 Republicans in the winning coalition and 31 Democrats & 15 Republicans on the losing side. Majority (Democratic) leader Mike Mansfield (Mont.) and minority (Republican) leader Everett McKinley Dirksen (Ill.) offered the winning motion. Their assistants, Sens. Hubert Humphrey (D., Minn.) and Thomas H. Kuchel (R., Calif.), voted against the motion. Humphrey and Kuchel had co-sponsored one of the 2 plans to change the filibuster rule.

D Senate Rule XXII provided that only a 2/3 vote of members present could end debate over a member's objection. The Humphrey-Kuchel proposal, introduced Jan. 3, was to reduce the vote requirement to a majority of 51 votes. The 2d proposal, introduced Jan. 3 by Sens. Clinton P. Anderson (D., N.M.) and Thruston B. Morton (R., Ky.), was to reduce the 2/3 requirement to 3/5.

E Liberal Democrats had pressed for a filibuster fight at the beginning of Congress on the strength of an advisory opinion of Vice Pres. Richard M. Nixon, who was presiding over the Senate until Jan. 20. Nixon had indicated that he would rule that a majority vote could end debate at the beginning of a new Congress because the Senate then had, in his opinion, a Constitutional right to revise its rules.

F Those opposing a filibuster fight included Southern conservatives and some liberal Democrats, including Mansfield, who did not want to jeopardize Kennedy's legislative program by a bitter fight at the outset of Congress. Mansfield said Jan. 11 that the Rules Committee would send one of the proposals back to the floor during the 1961 session. [See Vol. XX, p. 104G1-B2]

G Senate Chooses Leaders. A Senate Democratic caucus Jan. 3 elected Sen.

Mike Mansfield (Mont.) as majority leader to succeed Vice Pres.-elect Lyndon B. Johnson and elected Sen. Hubert Humphrey (Minn.) as assistant leader (whip). Sen. Carl Hayden (Ariz.) was chosen Senate president pro tempore. The caucus also approved Mansfield's proposal to have Johnson preside at future caucuses. (Mansfield said in a radio interview Jan. 2 that he considered himself Kennedy's "representative" in Congress.)

Mansfield threatened to resign as majority leader at a meeting of the Senate Democratic Conference Jan. 4 rather than accept a proposal of Sen. Albert A. Gore (Tenn.) that the conference elect members of the Senate Democratic Steering & Policy Committees. A compromise resolution to allow the conference the right to confirm or challenge Mansfield's nominations was carried unanimously. (While Johnson was majority leader, he had made appointments without recourse to the conference.)

Johnson resigned from his Senate seat 3 minutes after being sworn in Jan. 3, and ex-Sen. William A. Blakley (D.), 62, was sworn in as his replacement. (A Texas law allowed a governor to appoint a successor only to a duly sworn Senator. Texas Gov. Price Daniel had designated Blakley to serve pending a special election. Blakley, who had served briefly in the Senate in 1957, was an avowed believer in the right of every citizen "to segregate himself." He joined the forces opposing the filibuster changes.) [See Vol. XVIII, p. 254 E1]

Senate Republicans Jan. 3 reelected Everett M. Dirksen (Ill.) as minority leader and Thomas H. Kuchel (Calif.) as minority whip; Styles Bridges (N.H.) was named Senate GOP Policy Committee chairman, Leverett Saltonstall (Mass.) Senate GOP Conference chairman, and Milton R. Young (N.D.) Senate GOP Conference secretary.

Sen. Barry M. Goldwater (R., Ariz.) was reelected Jan. 5 as chairman of the Senate Republican Campaign Committee.

House Elects Leaders. Rep. Sam Rayburn (D., Tex.) was elected for the 9th time as House Speaker Jan. 3 and was given a standing ovation by the House on his 79th birthday Jan. 6. (In a behind-the-scenes struggle, Rayburn sought ways to keep Southern conservatives in the House Rules Committee from blocking liberal legislation.) [See Vol. XX, p. 2E3]

House Democrats Jan. 3 reelected Rep. John W. McCormack (Mass.) as majority leader and Rep. Carl Albert (Okla.) as majority whip.

House Republicans reelected Rep. Charles A. Hallek (Ind.) as minority leader and Rep. John W. Byrnes (Wis.) as minority whip.

Hickey Appointed Senator. Gov. John Joseph Hickey of Wyoming resigned Jan. 2 and was immediately appointed Senator by State Secy. Jack Gage, who became acting Governor. Hickey succeeded retiring Sen. Joseph C. O'Mahoney. All were Democrats. Keith Thomson, a Republican who had been elected to succeed O'Mahoney, died Dec. 9. [See Vol. XX, p. 452F1]

THE PRESIDENT-ELECT

Distressed-Area Program. Pres.-elect John F. Kennedy promised Jan. 1 to give "the most important domestic priority" to a program for aid to economically distressed areas. Mr. Kennedy, holding a joint news conference in Palm Beach, Fla. with Sen. Paul H. Douglas (D., Ill.), released a report on such a program prepared by a special task force headed by Douglas.

Douglas, emphasizing that the program was only "a start," said the most important of his report's recommendations were for: (1) a doubling of the surplus food distribution; (2) the passage of an area redevelopment bill; (3) the extension of unemployment compensation to jobless workers whose standard benefits had been exhausted (with funds granted, not lent, to the states); (4) the passage of a special public works program for depressed areas.

The report, dealing with "localized depressions," also recommended: (a) diversion of government contracts to distressed areas; (b) aid to overcome "the educational lag in these regions"; (c) long-term aid for the development of highways to bring "distressed areas into the mainstream of economic life"; (d) appropriations to the Forest Service, the National Park Service and the Soil Conservation Service for conservation of natural resources and the development of tourist and recreational facilities; (e) establishment of a Coal Research Office and expansion of the mineral research program to seek new uses of coal and minerals; (f) development of a national fuel policy to "alleviate prevalent distress" in the coal producing regions and in some independent oil producing regions; (g) projects "for clear streams, navigation and flood control, pollution abatement, sealing of abandoned mines, public buildings . . ."; (h) creation of a youth conservation corps; (i) consideration of a special tax amortization plan to encourage industry to locate in distressed areas.

Among the report's area redevelopment proposals: (1) technical aid should be provided to local bodies to develop long-term economic plans; (2) loans, not subsidized by the federal government, should be given to encourage local formation of new businesses; (3) grants, "related to the ability of the community & the state to contribute," should be provided for the development of community facilities to attract industry; (4) workers in distressed areas should be trained or retrained (and given subsistence payments while training if unemployed); (5) studies should be made of the possibilities of rediscounting a community's industrial mortgages with a government agency and of establishing a loan insurance program to supplement direct loans.

The report said "broad regional developmental programs" were needed in areas where economic problems were "particularly deep-seated & severe." These areas included an Appalachian area in parts of 11 states, the textile region of New England and upper New York, the upper Great Lakes states, the coal region of southern Illinois and Indiana and rural areas of the South, Southwest and Far West.

The report recommended that a Presidential commission be established to study the needs of the Appalachian region as a pilot regional project. [See Vol. XX, p. 448D3]

Education Proposals. A program "to lift the schools to a new level of excellence" by providing about \$10 billion in federal aid in 4½ years was released in New York Jan. 6 by Pres.-elect Kennedy. The proposal was detailed in a report by his special task force on education, headed by Purdue University Pres. Frederick Hovde.

The task force's legislative proposals for public schools, to cost an estimated \$1.46 billion a year, advocated the annual federal provision to the states of \$30 per pupil for all public schools, plus an additional \$20 per pupil for lower-income states and an additional \$20 per pupil for cities over 300,000 population. The funds were to be used for "construction, salaries or other purposes. . . ."

Universities & colleges, under the report's program, would receive loans and grants of at least \$500 million the first year and larger sums in succeeding years. 70% of this aid was to be provided as grants on a matching basis for construction of school facilities; 30% was to come as loans. The report urged that Congress add \$150 million more to the college housing loan program for fiscal 1961 and \$1.4 billion more from July 1961 through July 1964. It recommended legislation to enlarge national fellowship and student loan programs and to assist in the construction of educational television networks.

The task force proposed an Advisory Education Committee on a level with existing science and economic advisory groups. It urged the rescinding of Internal Revenue Service rules that hampered private donations to educational institutions. [See Vol. XX, pp. 428E1-F3, 411B-E1, 330E2]

'Peace Corps' Plan. Pres.-elect Kennedy released in New York Jan. 8 a proposal for a "peace corps" of young Americans to serve in underdeveloped countries. The plan was the subject of a report by a special task force headed by Dr. Max Millikan, director of the International Studies Center of the Massachusetts Institute of Technology.

The "peace corps" idea had been proposed by Mr. Kennedy during his election campaign. He had suggested then that youths could serve 3 years in such a corps as an alternative to the draft. Millikan, however, said he thought there would be enough volunteers for the corps "without offering the bait of freedom from the draft."

The report recommended that a "pilot" project test and develop methods for the "peace corps." The report said the youths should mix with the local people and avoid the overseas American communities. It proposed creation of a semi-autonomous International Youth Service Agency directed by a person preferably from an academic background and governed by representatives of the government, major private foundations and professions.

The report recommended that the youths be at least 21 years old, that they have "at least a bachelor's degree," that they be selected by "tough criteria of both academic & personality qualifications," that they be committed to serve at least 2 years and that they receive pay. [See Vol. XX, p. 387D-F2]

Nixon Confirms Election. Vice Pres. Richard M. Nixon officially confirmed the results of the Presidential election before a joint session of Congress

Jan. 6. He said: "This is the first time in 100 years that a candidate for the Presidency announced the result of an election in which he was defeated and announced the victory of his opponent"; "I now declare that John F. Kennedy has been elected President of the United States and Lyndon B. Johnson Vice President of the United States." [See Vol. XX, p. 387F1]

(Nixon was honored on his 48th birthday Jan. 9 at a dinner attended by Pres. Eisenhower & more than 1,000 Republicans.)

Appointments. Pres.-elect Kennedy announced in Palm Beach, Fla. Jan. 2 that John J. McCloy, 65, would be his principal disarmament adviser and negotiator. McCloy, a Republican, had held high posts in the Roosevelt and Truman administrations. He had been an Assistant War Secretary 1941-45, president of the International Bank for Reconstruction and Development 1947-49 and U.S. High Commissioner to West Germany 1949-52. From 1952 until his recent return to private law practice, he had been Chase Manhattan Bank chairman. [See Vol. XX, p. 426D1; XIII, 444B2; XII, 358K]

The President-elect announced Jan. 10 that Henry H. Fowler of Roanoke, Va. would be appointed Treasury Undersecretary. Fowler, 53, had served as assistant general counsel to the War Production Board during World War II and as Defense Mobilization director during the Korean War. [See Vol. XIII, p. 21D]

The designation of Charles J. Hitch of Pacific Palisades, Calif. as an Assistant Defense Secretary (Defense Department controller) was announced by Mr. Kennedy Jan. 3. Hitch, to be 51 Jan. 16, was a graduate of Arizona University and a Rhodes Scholar. During World War II, he had served with the War Production Board's planning committee and as an OSS lieutenant. He had served with Rand Corp. in secret defense work since 1948 and had written the book "Economics of Defense in the Nuclear Age."

U.S. Civil Service Commissioner Roger Jones was designated by Mr. Kennedy Jan. 4 to be Deputy State Undersecretary for Administration. Jones, 52, in federal service since 1933, became the 4th major Eisenhower appointee to be designated to serve in the Kennedy administration. He had risen from captain to colonel in the Army in World War II. [See Vol. XIX, p. 92A3]

John W. Macy, 43, vice president of Wesleyan University (Middletown, Conn.) was selected Jan. 4 to succeed Jones as U.S. Civil Service Commissioner. Macy, a Wesleyan graduate, had spent 20 years in government service and was an Army Air Force captain in World War II.

Mr. Kennedy announced Jan. 10 his designation of Angier Biddle Duke of New York to be State Department protocol chief. Duke, 45, an heir to the Duke tobacco fortune, had attended Yale, had served in the State Department, was Ambassador to El Salvador 1952-53, headed refugee work on the Austrian-Hungarian border in 1956 and had been vice president of CARE. [See Vol. XIII, p. 217A]

Mr. Kennedy Jan. 2 announced the selection of Lawrence F. O'Brien of Springfield, Mass. as his special assistant for personnel & Congressional relations (patronage aide). O'Brien, 43, was director of organization for the Democratic National Committee and a member of a Springfield public relations firm. He had been active in Kennedy's 1952, 1958 and 1960 election campaigns. [See Vol. XX, p. 245E1]

Other Kennedy appointments: Jan. 3—Yale Economics Prof. James Tobin, to the President's Council of Economic Advisers. Jan. 4—N.Y. Democrat Cyrus Roberts Vance, 43, special counsel to a Senate preparedness investigating subcommittee 1957-60, as Defense Department general counsel. Jan. 5—Williams College Prof. Kermit Gordon to the same council. Jan. 9—Newton M. Minow, 34, of Chicago, a law partner of Adlai E. Stevenson, as FCC chairman. Jan. 10—Newark News' Washington correspondent Arthur Sylvester as Assistant Defense Secretary for Public Affairs; Pennsylvania University Vice Pres. John Moore as General Services Administrator; Democrat Bernard L. Boutin as the GSA's deputy administrator. [See Vol. XVIII, p. 292A1]

CIVIL RIGHTS

Georgia University Desegregated. The first desegregation in public education in Georgia was started Jan. 10 when 2 Negro students, Charlayne Alberta Hunter, 18, and Hamilton E. Holmes, 19, enrolled in Georgia University in Athens. The U.S. Supreme Court, shortly after the Negroes' admission, unanimously denied Georgia Atty. Gen. Eugene Cook's plea to stay integration pending an appeal.

The University, which had more than 7,200 white students, had been ordered to admit the 2 Negroes by U.S. District Judge William A. Bootle in Macon, Ga. Jan. 6. Bootle's ruling barred the university from further discrimination against Negro applicants. But Bootle Jan. 9 granted a stay of his integration order pending Cook's appeal to the U.S. 5th Appeals Court. The stay interrupted the registration of the 2 Negro students, but the Negroes' lawyers Jan. 9 requested the Appeals Court, sitting in Atlanta, to set aside the stay. Chief Judge Elbert P. Tuttle complied, and the students completed registration Jan. 10.

Bootle's Jan. 6 integration order barred Gov. S. Ernest Vandiver Jr. from cutting off state funds to the university. Vandiver had said Jan. 7 that the university was in danger of closing, and reports circulated that a state anti-integration law would be invoked to cut off state aid to the university. But Vandiver told the opening session of the Legislature Jan. 9 that "we cannot abandon public education," and he denied Jan. 10 that he had already halted state aid. (500 white students demonstrated

U.S. TREASURY STATEMENT

	Dec. 1960	Dec. 1959	July-Dec. 1960	July-Dec. 1959
Total deposits	\$8,248,964,048	\$8,367,062,194	\$44,472,648,832	\$41,349,842,095
Net deposits	8,173,808,530	8,285,617,560	43,583,305,950	40,544,643,763
Indiv. income taxes:				
Withheld	2,315,688,538	2,686,199,557	16,226,780,691	15,651,425,296
Other	335,920,137	313,749,238	3,190,426,585	3,056,368,004
Corp. income taxes	3,344,471,474	3,175,175,645	8,864,441,106	8,361,588,169
Excise taxes	1,086,337,729	1,056,632,139	6,306,328,142	5,777,450,442
Customs	65,652,559	97,417,016	531,171,024	572,130,558
Net withdrawals	\$7,663,817,862	\$7,889,668,457	\$48,175,988,230	\$47,723,513,784
Military (including military foreign aid)	3,434,988,357	3,987,791,742	21,364,718,941	21,814,790,009
Economic foreign aid	160,045,494	150,806,690	820,600,147	751,544,117
Int. on public debt	453,088,621	585,196,549	3,644,068,770	3,307,396,313
Increase in public debt		208,943,968	3,886,054,393	6,091,864,639
Decrease in public debt	197,299,751			

Gross public debt \$290,216,815,241; previous year \$290,797,771,717
Gold reserve \$17,766,797,708; previous year \$19,456,135,794
Treasury balance \$6,411,189,151.73; previous year \$5,583,376,423.62

in Athens Jan. 6 against integration and hanged an effigy of Holmes. Police had difficulty with a rowdy parade of more than 1,000 youths in downtown Athens Jan. 9, and Miss Hunter was jeered in an unruly demonstration Jan. 10.) [See Vol. XX, pp. 449F1, 161D3, 30B-C1]

OTHER U.S. NEWS

Dixon-Yates Award Invalid. The Supreme Court held in a 6-3 ruling Jan. 9 that the Dixon-Yates contract was unenforceable because it had been illegally negotiated. The ruling reversed a 1959 U.S. Claims Court ruling that the U.S. government must pay \$1,867,545.56 to the Dixon-Yates group (Middle South Utilities, Inc. and the Southern Co.) for expenses incurred before the contract had been canceled.

Both majority & minority opinions agreed that N.Y. investment banker Adolphe H. Wenzell had acted as an agent of the government in the contract negotiations. Chief Justice Earl Warren's majority opinion held that Wenzell had violated an 1863 criminal statute that prohibited a government agent from dealing with a business in whose profits he was "directly or indirectly interested." Warren said Wenzell had seemed "to be more preoccupied with advancing the position of . . . [his investment house] or with the sponsors [Dixon-Yates] than with representing . . . the government."

Justices John Marshall Harlan, Charles E. Whittaker and Potter Stewart dissented on the ground that it was entirely speculative that Wenzell had been interested in private profits at the time of the negotiations. [See Vol. XIX, p. 248C-E3]

Civil War Commemoration. A 5-year commemoration of the Civil War opened Jan. 8 with ceremonies in the north & south honoring Abraham Lincoln & Generals Ulysses S. Grant & Robert E. Lee.

1960 Gold Out-Flow. N.Y. Federal Reserve Bank statistics Jan. 5 showed that the net outflow of gold from the U.S. Treasury had increased from \$1.078 billion in 1959 to \$1.689 billion in 1960. The 1960 figure, however, represented a decline from the \$2.247 billion outflow in 1958. The U.S. Treasury sold \$1.989 billion worth of gold to foreign central banks and governments during 1960 but offset \$300 million of the total by a purchase of gold from the International Monetary Fund. The Treasury's gold stock totaled \$17,767 billion Dec. 31, 1960. Additional sales of \$97 million worth of gold Jan. 3-4 brought the stock down to \$17.67 billion, the lowest figure since Jan. 1940. [See Vol. XX, p. 472E1]

Foreign Trade. The Census Bureau estimated Jan. 9 that U.S. exports had risen from a total of \$16.3 billion in 1959 to \$19.4 billion in 1960 and that imports had dropped from \$15.2 billion to \$14.9 billion in the same period. [See Vol. XX, p. 472E-F1]

Copper Prices Down. Faced with a depressed copper market, U.S. custom smelters made a further price reduction Jan. 11 by cutting the price from 30¢ a pound to 29¢. The smelters had cut the price from 31¢ a pound to a competitive 30¢ Oct. 12, 1960 after major primary producers, accounting for 85% of domestic copper supplies, had lowered their prices from 33¢ a pound to 30¢ to answer a previous smelter price cut. Prices had declined about \$14 a ton in 5 months on the London Metal Exchange, where most of the world's copper futures were traded. Crux of the situation: world copper output was exceeding demand at a rate of almost 500,000 tons a year. [See Vol. XX, p. 266E2; XVIII, 203G3, 173C2, 66B-C3]

The ceremonies were held at Grant's tomb and at the Union Square statue of Lincoln in New York and at Lee's tomb in Lexington, Va. Grant's grandson, Maj. Gen Ulysses S. Grant 3d, chairman of the National Civil War Centennial Commission, participated in the Grant's tomb ceremonies, as did 1,200 West Point cadets.

The first military action of the Civil War—the Jan. 9, 1861 bombardment of the federal ship Star of the West, sent to reinforce the troops in Fort Sumter—was reenacted by gray-uniformed cadets from The Citadel in Charleston, S.C. Jan. 9. [See Vol. XX, p. 457C3]

— LATIN AMERICA —

Dominican Republic

Economic Sanctions. A resolution imposing limited economic sanctions against the Dominican Republic was approved by a 14-1 vote (6 abstentions) of the Council of the Organization of American States (OAS) at a meeting in Washington Jan. 4. The resolution recommended that OAS members bar shipment to the DR of oil, oil products, trucks and parts.

The sanctions had been proposed by OAS foreign ministers Aug. 20, 1960, when they voted for an arms embargo and to sever relations with the Trujillo regime because of its "aggression" against Venezuela.

The U.S. & Cuba were among the 14 nations that voted Jan. 4 for sanctions. The DR was the sole state to vote against sanctions. Abstainers: Argentina, Brazil, Guatemala, Haiti, Paraguay & Uruguay. [See Vol. XX, p. 314D1]

Haiti

Bishop Augustin Deported. Bishop Rémy Augustin, Roman Catholic apostolic administrator in Haiti, was arrested and expelled from the country Jan. 10 under a decree signed by Pres. François Duvalier. In a stop-

over at San Juan, Puerto Rico, en route to Buenos Aires, Augustin said he knew of no reason for his ouster.

Other Roman Catholic priests arrested Jan. 10 and deported: the Revs. Paul Bellec, Francois Le Nir, Jean Baptiste Bettebourg and Emile Callec.

Government authorities Jan. 10 seized the Catholic daily newspaper La Phalange in Port-au-Prince. La Phalange had published an article calling on the government to rescind a decree that made parents and guardians responsible for their children's absenteeism from school [See Vol. XX, p. 424B2]

Mexico

Caballero Ousted. Raul Caballero Aburto was dismissed as Guerrero Province governor Jan. 4 after a federal government investigation of charges of corruption. [See Vol. XX, p. 482C3]

— SPORTS —

Football. The Houston Oilers of the Eastern Conference defeated the Los Angeles Chargers of the Western Conference 24-16 in Houston Jan. 1 to win the American Football League's first championship game. [See Vol. XX, p. 463D3]

COLLEGE BOWL GAMES JAN. 2

Rose Bowl (Pasadena, Calif.)—Washington 17, Minnesota 7; **Sugar Bowl** (New Orleans)—Mississippi 14, Rice 6; **Orange Bowl** (Miami)—Missouri 21, Navy 14; **Cotton Bowl** (Dallas)—Duke 7, Arkansas 6. [See Vol. XIX, p. 8C2]

N.Y. Giants (NFL) assistant coach Allie Sherman, 38, signed a 3-year contract as head coach Jan. 10 to replace Jim Lee Howell, who had retired.

Philadelphia Eagles (NFL) quarterback Norm Van Brocklin, 34, announced his retirement Jan. 5. [See Vol. XX, p. 487F2]

University of Georgia freshman coach Johnny L. Griffith, 36, was named head football coach Jan. 6. [See Vol. XX, p. 487C3]



Business & Financial Summary

Week Ended Jan. 7

FINANCE:			
U.S. Treasury—			
Monetary gold stocks	This Week	Last Week	Year Ago
	\$17,748	\$17,882	\$19,456
Currency circulation	\$32,849	\$33,195	\$32,524
Banks—			
Com'l & ind'l loans\$	\$31,958	\$32,131	\$30,465
Agricultural loans	\$1,084	\$1,073	\$930
N.Y. bank clearings	\$17,433,217,766	\$14,580,120,321	\$12,790,213,677
England note circulation	\$2,313,922	\$2,373,853	
N.Y. Stock Exchange—			
Stock sales (shares)	14,362,674	16,537,084	18,027,086
Stock avgs. (100 shares)**	231.47	228.91	238.66
Bond sales (par value)	\$21,340,000	\$26,732,000	\$32,808,000
Bond avgs. (30 bonds)**	86.15	86.12	83.79
INDUSTRY:			
Auto output (cars & trucks)†	87,536	101,868	190,923
Crude oil (bbl. daily)	7,172,910	7,139,310	7,109,725
Soft-coal output (tons)	7,550,000	7,335,000	6,984,000
Electric output (kwh.)	13,956	15,114	13,565
Carloadings (cars)	406,346	467,978	483,857
PRICES:			
Wheat (bu.)	\$2.45 1/4	\$2.43 5/8	\$2.44
Corn (bu.)	\$1.42 5/8	\$1.38 3/8	\$1.45 1/4
Cotton (lb.)	\$32 1/4	\$32 1/4	\$33.05
Steel scrap avg. (ton)*	\$31.17	\$29.17	\$41.17
Wholesale food index†	\$6.17	\$6.16	\$5.70
Weekly whsl. index (BLS)†			118.9
BUSINESS:			
Dept. stores sales†§	117	319	112
Failures (Dec. 29, 1960)‡	276	253	226

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet §1947-49=100 §Federal Reserve Board ¶Member banks, 107 cities, Dec. 28, 1960 †Dec. 31 ††Dec. 24 †††Jan. 3 ††††Iron Age